

Safety Group Insurance Program

Since 1974, IASB has provided Iowa schools with a comprehensive insurance program covering property and casualty, errors and omissions, automobile, worker's compensation, general liability, commercial liability and other insurance services. The IASB Safety Group Insurance Program works with local insurance agents to provide unmatched insurance coverage to meet the unique risk management needs of schools at competitive, stable insurance prices. In fact, the insurance program has changed its own coverages in many cases to meet the needs of schools - in 1998, for example, equipment breakdown insurance was added to the wide variety of insurance services offered through the program.

Schools elect whether or not to purchase or renew their insurance through a local insurance agent annual between April and June; for the 2009-10 school year, there are only 12 districts in Iowa that do not utilize the program. Schools then pay annual premiums for the insurance during July or August to EMC Insurance for their coverage from July 1 through June 30 each year. In years when there is a dividend, schools receive a check, typically in May. The history on that follows:

The dividends paid from EMC to IASB are calculated by school and line of coverage based upon the average of the last three years of experience. If there is a dividend, it is paid from EMC to IASB prior to September 1. Dividends would then be declared by the IASB Board of Directors. Once declared, checks are cut and mailed to the schools districts from IASB. In recent years, dividends were mailed to participants during May (May 2008 and May 2009). Beginning in the 2007-08 fiscal year, IASB began the practice of mailing the dividend checks as part of the dues renewal mailing. This created efficiencies for schools by sending the check and invoice directly to the accounting office, and efficiencies for IASB through decreased postage expenses and staff time for multiple mailings.

IASB sponsors this program through a partnership with Jester Insurance Services, Inc., the plan administrator and managing agent, and EMC Insurance Companies, the insurance carrier for all the insurance coverage except equipment breakdown, which is handled by Specialty Underwriters.

IASB has evaluated the Safety Group on an ongoing basis, particularly every three years at the time of renewal of contracts with Jester and with EMC. Several years ago, IASB even contracted with an outside consultant located in California to conduct a more thorough study of the program and its cost. In addition, Jester Insurance has done periodic reviews of the program and EMC's coverage, comparing it to the coverage available to schools in other states through similar statewide association programs. The Safety Group program has to compete in the marketplace every day, which it does successfully. Over the last four years, approximately 100 school districts have gotten competitive proposals from other companies and Safety Group coverage stacked up successfully throughout that entire period. So far, we have seen nothing in the current marketplace that will beat the IASB program on coverage or service.

As another service to schools, Jester Insurance also travels around the state throughout the year, offering training and advice to school officials to identify places they can save money and find other efficiencies. They also put on annual seminars in the spring to update and educate school officials about insurance issues.